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WEALTH MANAGEMENT®

# Summary of Investment Strategies

**Balanced Taxable (BTAX):** seeks to maximize risk-adjusted total return over a full market cycle. To achieve this goal, the manager will invest in both equity and taxable fixed income securities. The equity portion of the strategy is comprised of securities selected from Moran Wealth Management's equity styles. The fixed income portion of the strategy is primarily invested in ETFs holding government, corporate and high-yield fixed income securities.

**Broad Market Bear (BEAR):** This strategy seeks to profit from negative returns in the broad market and provide downside protection for a portfolio. The strategy uses a diverse list of inverse ETFs in an effort to gain -1X exposure to a set of various indices and sectors with the goal of targeting a negative correlation to one of the major market indices.

**Concentrated Value (VALU):** The Concentrated Value Portfolio utilizes a value investment philosophy that focuses on holding a limited number of long equity positions with higher-than-average dividend yields. Generally, the strategy seeks out companies for investment that the manager deems to be high-quality companies as defined by possessing business operations with durable competitive advantages that allow for high returns and growing cash flow streams.

**Conservative Select (CSEL):** seeks long-term capital appreciation and current income. The manager aims to achieve this goal by combining top-ranked stocks from Moran Wealth Management's Conservative Growth and Core Value styles into one customized strategy. Accordingly, the strategy will invest in a blend of undervalued and high growth potential large-capitalization companies with dividend yields.

**Convertible (CONV):** seeks to generate both income and growth by maximizing risk-adjusted total return over a full market cycle. Accordingly, the strategy is invested in a selection of Convertible Security Funds. Convertible bonds may appeal to investors who are interested in the income and risk characteristics of a debt instrument but want to potentially participate in some of the growth offered by common stock.

**Core Value (CVAL):** seeks capital appreciation and current income. The manager intends to achieve this goal by investing in dividend-paying, large-capitalization companies that are undervalued relative to their peers. This strategy will generally hold companies with yields greater than or equal to the yield of the S&P 500.

**Domestic Equity (DEQT):** seeks to make a series of diversified investments in a risk-controlled framework, delivering consistent added value over a full business cycle. The strategy is designed to capture the potential benefits of the dissimilarity in return patterns across different domestic asset classes. To these ends, the manager combines strategic allocation across asset classes with tactical active risk management driven by the manager's view of current market conditions.

**Dynamic Income (DIAP):** The Dynamic Income Allocation Portfolio is designed for investors looking for income and wealth preservation. This strategy invests in a diversified portfolio of Exchange Traded Funds (ETFs) utilizing equities, bonds, preferred stocks, master limited partnerships, REITs and other global securities. The portfolio manager allocates investments to the most attractive ETFs with the dual mandate of achieving a mid-single digit income and protection of principal through the diversification benefits achieved from ownership of uncorrelated asset classes. Combined, elevated levels of current income and lower correlation of investments can minimize the portfolio's volatility resulting in superior risk-adjusted returns.

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**Focused Dividend* (FDIV/CGRO):** seeks long-term capital appreciation and current income. The manager aims to achieve this goal by investing primarily in large-capitalization companies with strong earnings growth potential and attractive dividend yields.

**Focused Value (FVAL):** seeks identify market inefficiencies that temporarily depress a company's share price below its long-term intrinsic value. To accomplish this objective the manager utilizes an investment process that focuses on companies with strong balance sheets and low debt-to-equity and price-to-book ratios.

**Generational Growth Portfolio (GENG):** has been constructed to hold positions in companies that we believe have the potential to grow earnings per share and underlying intrinsic value at a rate superior to the market. The manager looks for companies that have developed business models with durable competitive advantages that have resulted in superior financial returns and growth characteristics relative to their peers. The intention is to hold these companies in the portfolio for multiple years based on their potential to compound at attractive rates. The strategy seeks aggressive long-term capital appreciation and should experience low turnover.

**Global Balanced (GBAL):** seeks to optimize returns in a risk-controlled framework, delivering consistent added value over a full business cycle. The strategy is designed to capture the benefits of diversification and the advantages that come from the dissimilarity in return patterns across different asset classes. To achieve this goal, the strategy invests in U.S. equities, international equities and fixed income securities. In addition to this strategic allocation, the manager performs tactical active risk management driven by the manager's view of current market conditions.

**Global Dividend (GDIV):** seeks to optimize returns in a risk-controlled framework, delivering consistent added value over a full business cycle. The strategy is designed to capture the benefits of diversification and the advantages that come from the dissimilarity in return patterns across different asset classes. The strategy intends to invest primarily in higher yielding securities that retain attractive growth potential. In addition to this strategic allocation, the manager performs tactical active risk management driven by the manager's view of current market conditions.

**Global Equity (GEQT):** seeks to optimize returns in a risk-controlled framework, delivering consistent added value over a full business cycle. The strategy is designed to capture the benefits of diversification and the advantages that come from the dissimilarity in return patterns across different asset classes. The strategy intends to invest primarily in equity securities with strong growth potential. In addition to this strategic allocation, the manager performs tactical active risk management driven by the manager's view of current market conditions.

**Hedged Equity (HDGE):** seeks to provide reduced exposure to equity markets and low correlation to traditional asset classes while maintaining the potential for long-term returns. The strategy uses a custom methodology to select long positions in equity, fixed-income and alternative securities that, in the manager's view, are consistent with the objectives of the strategy. The manager uses both strategic and tactical asset allocation to determine the investment composition of the strategy. With the possibility of good risk-adjusted returns and lower correlation to broader market movements, hedged equity funds can offer numerous advantages to investors. The strategy is a complex investment vehicle and may not be suitable for all investors. It does not represent a complete investment program.

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**International Select Developed and Emerging (ISDE):** seeks long-term capital appreciation by participating in non-US equity markets. The strategy has the ability to invest in broad-market ETFs and in shares of companies that, in the manager's opinion, show greater potential for outperformance relative to their peers. The manager evaluates companies for inclusion in the portfolio using a framework that may incorporate fundamentals, the macroeconomic environment, technical indicators and corporate governance practices. Foreign markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

**Long Duration Fixed Income (LDFI):** The primary objective of this style is the preservation of capital and current income through the construction of a high-quality portfolio of intermediate to long-duration taxable securities. Eligible investments include short and intermediate-duration investment grade corporates, Treasury, and government agency issuers.

**Low Beta (LOWB):** seeks to provide higher risk-adjusted returns than the S&P 500 Index by focusing on reducing downside volatility. To achieve this objective, the manager uses statistically significant economic variables and historical return data in a factor-based strategy to select a portfolio of equity securities—diversified across sectors—that the manager believes is likely to be less volatile than the index.

**Macroeconomic (ECON):** seeks to provide higher risk-adjusted returns than the S&P 500 Index by reducing exposure to market downturns. To achieve this objective, the manager uses a macroeconomic factor-based strategy to select a diversified portfolio of equity securities that will benefit from the current macroeconomic environment and have reduced exposure to downside macroeconomic risk. As a result of this process, this strategy presents investors with a comprehensively diversified portfolio that maintains upside potential with reduced downside volatility.

**Microcap (MICRO):** typically invests in micro-cap stocks with market caps up to $1billion. The manager intends to invest in companies with strong fundamentals and selling at prices that the manager believes do not fully reflect the attributes. This approach emphasizes the intersection of valuation with fundamental strength and/or excellent growth or turnaround potential. The manager looks for financially sound, micro-cap companies where gains can be achieved from market inefficiencies and seeks companies with low price-to-book value, price- to-earnings value, and debt levels.

**Millennium (MILL):** seeks long-term capital appreciation by investing in specific growth sectors. To achieve this goal, the manager will invest in companies in the finance, healthcare and technology sectors and in large, internationally diversified companies. In both cases, the manager looks for companies with high growth potential and attractive valuations. This strategy, by itself, is not a balanced investment plan and may involve additional risk due to its narrow focus.

**Moderate Growth (MGRO):** seeks long-term capital appreciation. The manager aims to achieve this goal by investing primarily in mid and large-capitalization companies with strong earnings growth potential.

**Moderate Select (MSEL):** seeks long-term capital appreciation. The manager aims to achieve this objective by combining top-ranked stocks from Moran Wealth Management's Moderate Growth and Moderate Value styles into one customized strategy. Accordingly, the strategy will invest in a blend of undervalued and high growth potential mid and large-capitalization companies.

**Moderate Value (MVAL):** seeks capital appreciation. The manager intends to achieve this goal by investing in mid and large-capitalization companies that are undervalued relative to their peers.

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**Momentum Alpha (MOMA):** seeks to take advantage of market volatility by investing in securities with an emerging upward trend while selling those entering a downward trend. The strategy seeks aggressive long-term capital appreciation and has potentially high turnover.

**Municipal (MUNIC):** seeks preservation of capital through the construction of a high-quality portfolio of short to intermediate duration tax exempt securities.

**Natural Resources (NATR):** seeks long-term capital appreciation. The style seeks protection against inflation and monetary instability by investing in securities in the energy and natural resource sectors. The manager expects concentration in securities that, in the manager's opinion, are temporarily undervalued relative to others in the oil and gas, chemicals, metals and mining, and paper and forest-products industries.

**REIT (REIT):** seeks to provide income and capital growth by investing primarily in publicly traded securities of real estate companies. The strategy attempts to meet its objective through the active selection of Real Estate Investment Trust (REIT) securities, across different types and regions based on the research of the manager. A REIT is a trust or similar entity that primarily invests in or manages properties of companies involved in the real estate industry. REITs may not have diversified holdings.

**Sentiment Leaders (HYPE):** This strategy seeks to maximize returns by taking advantage of market volatility. The manager aims to do so by investing in securities with growing positive news sentiment and selling those with declining news sentiment. The strategy seeks aggressive capital growth and has the potential for high turnover.

**Small Cap Value International (SCVI):** This strategy seeks to maximize long-term returns while providing diversification from domestic equity markets. The strategy intends to invest in the shares of non-US small capitalization companies that, in the manager's opinion, are temporarily undervalued relative to their peers. The strategy also has the ability to invest in broad-market ETFs. The manager evaluates companies for inclusion in the portfolio using a quantitative framework that incorporates a variety of factors. Foreign markets are volatile and can decline significantly in response to adverse issuer, political, regulatory, market, or economic developments.

**Small Cap Growth (SGRW):** seeks long-term growth of capital by investing primarily in small capitalization growth stocks. The manager seeks to achieve this objective by investing primarily in equity securities of small U.S. companies, considered as those with a market capitalization of approximately $1 billion to $3 billion. The manager's objective is to provide clients with a long-term rate of return better than that of comparable small-cap stock indices.

**Small Cap Select (SSEL):** seeks long-term capital appreciation. The manager intends to achieve this objective by combining top-ranked stocks from Moran Wealth Management's Small Cap Growth and Small Cap Value styles into one customized strategy. Accordingly, the strategy will invest in a blend of undervalued and high growth potential small capitalization companies.

**Small Cap Value (SVAL):** seeks long-term growth of capital by investing primarily in small capitalization value stocks. The manager intends to achieve this objective by investing in the common stocks of small market capitalization U.S. companies that, in the manager's opinion, are temporarily undervalued relative to their peers.

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**Small Mid Cap Strategic Beta (SMID):** This strategy seeks to generate high risk-adjusted returns and long-term out-performance of the Russell 2500 Index by investing in US-traded small- and mid-capitalization companies. The strategy uses a rules-based multi-factor quantitative model to invest in companies that exhibit positive momentum, attractive valuations, strong fundamental qualities, favorable growth, and technical factors.

**Socially Responsible Investing (SRI):** incorporates environmental, social, and governance (ESG) factors into the investment process. The manager will invest in companies that encourage corporate practices that promote stewardship, consumer protection, human rights, and diversity. The manager will avoid investing in companies involved in promoting alcohol, tobacco, or gambling, or who are in the defense industry.

**Strategic Growth (GROW):** seeks long-term capital appreciation by investing in high growth companies. To achieve this goal, the manager will invest primarily in a range of mid to large capitalization companies that, in the manager's opinion, will demonstrate consistent top line or sales growth. This strategy, by itself, is not a balanced investment plan and may not be appropriate for investors with a lower risk tolerance.

**Taxable Fixed Income A (TAXFI):** seeks preservation of capital through the construction of a high-quality portfolio of taxable securities. Eligible investments include short and intermediate duration investment grade corporate, Treasury and government agency issuers.

**Taxable Fixed Income B (TAXB):** This strategy seeks capital preservation and enhanced income by investing in a diverse portfolio of various sub-asset class Fixed Income Exchange Traded Funds (ETFs). The manager intends to achieve this goal by target a universe of ETFs with an attractive yield and lower volatility.